

March 23, 1966

CONGRESSIONAL RECORD — HOUSE

6313

CLAREMONT EAGLE FURTHERS
CAMPAIGN FOR CONNECTICUT
RIVER PARKWAY BILL

(Mr. CLEVELAND (at the request of Mr. HALL) was granted permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. CLEVELAND. Mr. Speaker, it is a pleasure to take note of the growing support for the proposal to establish the Connecticut River National Parkway and Recreation Area, of which I am one of the sponsors.

The Daily Eagle of Claremont has been one of the leading voices in New Hampshire backing this measure. I am pleased to offer at this point in the RECORD a copy of its most recent editorial from the pen of Mr. Kenneth Whipple, the Eagle's able editor:

[From the Claremont (N.H.) Daily Eagle, Mar. 11, 1966]

PRESERVING THE VALLEY'S BEAUTY

We've written, at intervals, about the steadily brightening prospects for the new Connecticut River National Parkway and Recreation Area.

First proposed in the Senate a number of weeks ago, it has won increasing favor with high administration officials. Now a House group, with Representative JAMES C. CLEVELAND, Republican, of New Hampshire, a prominent participant, is sponsoring similar legislation through the medium of a companion measure.

Congressman CLEVELAND's statement to the House, in introducing the legislation, is worthy of reprinting here as a summation of the project's aims and a survey of the project's possibilities.

"The Connecticut River" he said, "some 400 miles long, is the longest river in all New England; it is longer than the Jordan, the Tiber, the Thames, the Hudson, the Suwanee, and the Potomac Rivers.

"It flows through the heart of New England, rising in the Connecticut Lakes of New Hampshire, flowing to form the border between New Hampshire and Vermont, through Massachusetts and Connecticut to Long Island Sound at Old Saybrook, Conn.

"It flows through one of the most scenic valleys in the country. But today it also flows through some of the most unsightly industrial wasteland in the country.

"The purpose of this legislation is to provide an effective means by which substantial and appropriate portions of this river, throughout its length, may be recaptured and preserved in their natural beauty for the enjoyment of future generations.

"Every economic and population forecast available today shows that the economy and population of New England is going to continue growing. This means that we must move now to salvage and preserve sufficient public recreation land while it is still available. Once these priceless resources are lost, they are lost forever.

"This bill is designed to be flexible so that the public benefit may be measured and met most effectively as the Parkway is developed. The area designated by the Secretary of the Interior, as authorized by the bill, is to be administered for the preservation of natural beauty and for such forms of outdoor recreation and objectives as driving for pleasure, walking and hiking, picnicking, fish and wildlife management, scenic and historic site preservation, fishing, hunting, boating, camping, riding, bicycling, winter sports, and other kinds of outdoor recreation.

"This proposal, carefully carried out, will give New England space and protected land along one of the finest waterways in the

country; a place of immense natural beauty where people will be able to get away from crowded city streets."

K.D.W.

(Mr. CLEVELAND (at the request of Mr. HALL) was granted permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

[Mr. CLEVELAND'S remarks will appear hereafter in the Appendix.]

TAX CONSIDERATION FOR
SENIOR CITIZENS

(Mr. SCHWEIKER (at the request of Mr. HALL) was granted permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SCHWEIKER. Mr. Speaker, I am today introducing legislation to give the same tax break to senior citizens who sell their homes just before reaching age 65 as is now available to those who sell after their 65th birthday.

Current law permits a taxpayer who has reached age 65 at the time he sells his home to avoid paying capital gains taxes on the profit from the sale. But a 64-year-old taxpayer who sells his home is subject to capital gain taxation on the profit even if he will reach age 65 before the end of the year in which the sale was made.

The bill which I am introducing today would permit the tax exclusion for senior citizens who will reach age 65 before the end of the taxable year in which the sale occurs, rather than limiting it to sales which occur only after the taxpayer's 65th birthday.

Present law permits a taxpayer to claim an additional \$600 exemption for age if he is 65 or older on the last day of the tax year. My bill would apply the same principle to the senior citizen exclusion on sale of homes, basing the exclusion upon the taxpayer's age on the last day of the tax year, rather than upon the taxpayer's birth date.

It seems unfair that a senior citizen whose 65th birthday does not fall, for example, until December when he would not have sufficient time to complete the sale of his home before the end of the year, should be deprived of the tax break given to a taxpayer whose 65th birthday comes earlier the same year.

Under the Schweiker bill a senior citizen would be entitled to the existing capital gain exclusion on sale of his residence if the sale took place at any time during or after the taxable year in which he turned 65. No longer would the exemption, which the Congress enacted in 1964, apply only if the sale took place after the day on which the taxpayer turned 65.

Mr. Speaker, the general instructions for form 1040 contain a statement that a taxpayer is entitled to the additional \$600 exemption for age if he is 65 or older on the last day of the tax year. But the instructions for schedule D, gains and losses from sales or exchanges of property, state that the tax-free exclusion for all or part of the gain on the sale of a residence is available to a tax-

payer who sold his residence on or after his 65th birthday and meets certain other requirements. I feel that a taxpayer should be entitled to this exclusion if he is 65 or older on the last day of the tax year in which the sale occurred.

The present exclusion is contained in section 121 which was added to the Internal Revenue Code of 1954 by section 206 of the Revenue Act of 1964. In examining the legislative history of the 1964 provision, neither the Legislative Reference Service nor I can find anything to indicate whether the limitation on individuals who sell at age 64 during the same year in which they will attain age 65 was imposed intentionally or whether the matter was overlooked by the Congress. I am inclined to believe, Mr. Speaker, that the Congress overlooked this inequity.

I urge my colleagues on the Ways and Means Committee to right this wrong at the earliest opportunity.

THE LOGICAL PLACE FOR THE AEC
ACCELERATOR IS THE ROCKY
MOUNTAIN WEST

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Wyoming [Mr. RONCALIO], is recognized for 15 minutes.

Mr. RONCALIO. Mr. Speaker, many of us experienced keen disappointment when our States were rejected by the Atomic Energy Commission in its admirably thorough investigation of sites for the 200-Bev. accelerator.

The course before us now is to offer support to the site that will best serve the Nation's interests. I have today indicated my support of the Denver, Colo., site to Congressman WAYNE ASPINALL, dean of the Colorado delegation, and have notified the two Senators from Colorado of my offer to be of help to them. I am hopeful that my colleagues, who perhaps are not as well aware of Denver's many advantages, will see fit to unite in recognition of its solid case for the accelerator site.

The Denver area has all the necessary qualifications to recommend it as a superior location for the Atomic Energy Commission accelerator. Its recommendations in the physical prerequisites set down by the AEC are a matter of record which I am sure my worthy colleagues from Colorado have labored most ably to demonstrate. The long-range considerations—the considerations that place the Denver location first in the Nation's best interests—may not be so readily apparent.

ESCAPE TO OPEN PLAINS

The explosive growth of our cities is becoming a matter of heightened concern as population experts tell us that half of our people live on less than 1 percent of our land—that in years to come as many as one-third of our people will live in four extended cities—the east coast concentration from Boston to Richmond—the Great Lakes industrial complex—the gulf coast megapolis in Texas—and the California coast.

As we view the staggering problems already facing our cities—the lack of fresh water, the polluted air, the lack of ade-

March 23, 1966

CONGRESSIONAL RECORD — HOUSE

6315

been providing, billions upon billions of dollars for our Defense Establishment to make it the most powerful the world has ever known. They are the ones who are presently providing the young men to fight and die in Vietnam. Hence, can anyone dispute their right to ask questions and to expect answers when they read these reports? Can anyone dispute their right to truthful and factual answers when security is not involved?

I can not, Mr. Speaker, and I firmly believe that they deserve every answer that we can give them as Members of Congress from our limited knowledge of this situation. Undoubtedly, every Member of Congress has had letters from parents of servicemen pointing out this or that shortage or they have read about them in such reliable newspapers as the New York Times or they have read about them in the December 24, 1965, issue of Time magazine, or they have listened to them being reported on TV or radio. I choose not to look to these reports for answers to their questions, but rather to look to the testimony by such men as Secretary McNamara, Gen. Earle Wheeler, Chairman of the Joint Chiefs of Staff, and Gen. Wallace Greene, Commandant, U.S. Marine Corps, before the House and Senate Armed Services Committees at the time they were considering the supplemental authorization bill for Vietnam in January and February of this year. These censored hearing reports are available for all to read and I would suggest that all Members—who have not done so—read these reports.

As you know, Mr. Speaker, the testimony of these witnesses was all screened for security reasons by the Pentagon and the classified portions deleted before the printed hearings were reported to the Congress and released to the press. I well realize that all of the answers the American people want cannot be gleaned from reading these censored or declassified hearing reports as they naturally might want to know something about the classified matters which have been stricken. Nevertheless, I have deemed it worthwhile to go through these declassified hearings in search of light to shed on these questions. I now wish to report on my findings and I shall do so by reading the declassified answers given by Secretary McNamara, General Wheeler, and General Greene in response to questions put to them by committee members and committee staff personnel. At the outset, however, let me say that Mr. McNamara insisted all through these hearings that none of these items which will be mentioned have "adversely affected our combat operations" in Vietnam:

THE 2.75-INCH ROCKET AND 40-MILLIMETER AIR-LAUNCHED GRENADE
(House hearings, p. 4900)

Mr. BATES. Just what is our situation today in Vietnam with respect to ammunition, bombs, and so forth? What kind of shape are we in?

Secretary McNAMARA. I think we are in good shape, Mr. Bates. The best indication I can give you is this, that last month we were scheduled on an annual rate basis—this is, on a 12-month basis at last month's rates—we were planning in South Vietnam and in its associated operations, to drop [deleted]

and to launch [deleted] 2.75-inch rockets, [deleted] rounds of air-to-ground ammunition [deleted] small arms rounds including .30-caliber machinegun ammo, [deleted] million air-launched 40-millimeter grenades, [deleted] mortar rounds, and [deleted] artillery rounds. These were the planned levels of expenditures for the month of January, the one we just completed, on an annual rate basis.

The supplies to permit that level were in Vietnam. This was also the level desired by the military command in Vietnam.

There are only a few items on which I think you might say supplies are tight, and those are primarily new items. The 40-millimeter air-launched grenade, which was an experimental item up until a few months ago, is now proving highly effective and very popular. Another example is the 2.75-inch rockets with fragmentation warheads, not the HEAT warheads (the antiarmor warheads). This latter case arose because the armed helicopter (the arming of helicopters is a relatively recent innovation) are now being widely used in Vietnam. We decided to procure this new type 2.75-inch rocket only in the past 12 months.

Apart from items of that kind, I would say that, overall, our ammunition supplies are very good indeed.

ILLUMINATING FLARES AND PERIODIC PROBLEMS IN AMMUNITION

(Senate hearings, p. 104)

Senator SMITH. Are there any shortages in ammunition in the Vietnam fighting?

Secretary McNAMARA. There are none that have had in the opinion of the senior commanders, and, I am speaking of Admiral Sharpe and General Westmoreland, any significant effect on combat operations but there have been shortages in specialty items. One example is illuminating flares. We have found more need for such illuminating flares than ever before. When General Wheeler and I flew over the Plei Me area you could see the landscape dotted with flares. Their use far exceeded anybody's concepts of requirements. So at various times, there have been low inventories of such items, but even then combat operations have not been significantly affected.

The most significant problem which we have in ammunition relates to the 2.75-inch rocket, and there the problem is not one of shortage but rather one of new uses. These rockets are used primarily on armed helicopters. This is a relatively new tactic. The armed helicopters was a research and development project even in the last 2 or 3 years. We have never used such a vehicle in combat and the expenditures of those rockets by helicopters we anticipate will reach [deleted] by January of this year. This is far more than anticipated in any requirement calculation and the result is that our 2.75-inch rocket inventory has been drawn down worldwide very substantially. But this has not significantly affected combat operations as yet in the views of Westmoreland and Sharpe, and we are starting to produce them in extraordinary quantities.

I should mention, when I speak of the 2.75-inch rocket, that there is a distinction between the previously developed rocket which was designed to be launched from fixed-wing aircraft against hard objects on the ground such as tanks, and the currently utilized rocket which is designed primarily to be launched from helicopters against personnel on the ground. The latter, therefore, requires a fragmentation head as opposed to the hard object-piercing head required by the former and it is really the fragmentation head rocket that is causing us problems today.

But, apart from the illuminating round and the 2.75-inch rocket there have been other periodic problems in ammunition but none of them are significant.

THE 2.75-INCH ROCKET DISCUSSION CONTINUED
(Senate hearings, p. 209)

Senator CANNON. Have you had or do you anticipate any shortages of the 2.75 rocket?

Secretary McNAMARA. We have had extremely high usage of that rocket. That rocket has been used only on an experimental basis in helicopters up until very recently when it was fully authorized for regular operational use. It is a different form of rocket than the rocket that the Navy and Air Force have heretofore used from aircraft. It carries a fragmentation head. It is designed to be used primarily against personnel, and it is, in a sense, the personnel oriented 2.75-inch rocket which has caused our problem because it has just moved out of the experimental stage. So it is going to be "touch and go" in matching production and consumption on that ammunition item. Tremendous quantities of that rocket are being consumed, far in excess of anything that anyone could sensibly have anticipated. For example, in the month of January we estimate we will use [deleted] of those, but our inventory so far is reasonably satisfactory.

Senator CANNON. So you have had no shortage up to the present time?

Secretary McNAMARA. I don't want to say no shortage because we have used such huge quantities that I think General Westmoreland has had to ask his commanders not to waste these rockets and to watch their use carefully. But there has been no adverse effect on combat operations for any lack of such rockets. We have plenty of other ammunition which can be fired from helicopters.

(Senate hearings, p. 211)

Senator BYRD of West Virginia. Mr. McNamara, have there been any shortages in rockets?

Secretary McNAMARA. I said that the 2.75-inch rocket, of which we have ample stocks, had until relatively recently been equipped with a warhead that was what I would call an armor-piercing warhead, it was to be used from the air against hardware on the ground. There are no shortages of those.

However, in the last year or two we have experimented with the use of 2.75-inch rockets for use against personnel when fired from helicopters, and this is a new use and requires a different head, a fragmentation head.

The expansion of our helicopter force in South Vietnam and the arming of that force with this rocket has so sharply expanded our requirements for it that its supply has been tight.

With respect to whether there has been a shortage or not, I can't answer the questions other than to say that the supply has been tight but that the commanders have said that the tight supply has not adversely affected their combat operations. But I think if we had more they probably would have used more.

Senator BYRD of West Virginia. Has there been a rationing or budgeting of these rockets as a result of this tight situation?

Secretary McNAMARA. Well, I would like to have General Wheeler speak to the technical management devices the Army uses to manage its ammunition. I have even forgotten the name you apply to it but whatever it is it applies to 2.75 as it does to other ammunition in the theater.

General WHEELER. General Westmoreland has applied out there what is called an available supply rate for the 2.75's. I believe I have some information regarding this subject.

Senator BYRD of West Virginia. Perhaps that could be supplied to the committee.

General WHEELER. I have that information now. [Deleted.]

Senator BYRD of West Virginia. So there has been a restriction then because of lack of proper supply upon our use of rockets?

General WHEELER. I think I would question your use of the term lack of proper supply, Senator BYRD. As the Secretary explained the 2.75 HE round is a relatively new round just coming into production. [Deleted.]

Senator BYRD of West Virginia. So if the helicopter is on a mission and a amount of rockets have been used, and the need arises for additional rockets the helicopter is not restricted from using those additional rockets?

General WHEELER. I wouldn't think he would be, Senator. In other words, in an emergency he would go ahead and fire what he needed. Of course, he probably would have to make a report to the higher authority telling him what the need was in order to justify using them.

AMMUNITION AND PROXIMITY FUSES, 105-MILLIMETER ILLUMINATING

(House hearings, p. 5068)

Mr. BLANDFORD. How about 105 ammunition, proximity fuse ammunition, proximity fuses, and 8-inch howitzer ammunition? Has there been any reduction in that for practice purposes?

General GREENE. We have had some shortages in 105-millimeter illuminating ammunition. I have checked on that specifically when I was out this last time in South Vietnam. However, although we don't have the levels that we would like, our operations at night using this ammunition have not been restricted. We still had enough on hand. I would say that 105-millimeter illuminating would have to necessarily be used carefully in training.

Mr. BLANDFORD. Well, actually, am I correct that there has been a reduction in the availability of this type of ammunition for training purposes?

General GREENE. That would depend, of course, upon the division commanders. I cannot give you the specific answer.

THE 4.2 MORTAR AMMUNITION

(House hearings, p. 5068)

Mr. BLANDFORD. How about 4.2 mortar ammunition?

General GREENE. We have had a problem there again in 4.2 illuminating projectors.

AMMUNITION SHORTAGES

(House hearings, p. 5069)

Mr. BLANDFORD. Where are the other places where we have problems?

General GREENE. I believe the committee in their visits and examination of this problem as I recall, found six different types of ammunition in which there were indications of shortages. The Marine Corps has not been hampered or crippled in actual operations in South Vietnam in any of these areas.

Mr. BLANDFORD. No, I prefaced it by talking about training. I don't believe the actual operations in Vietnam have been affected.

General GREENE. Well, I would say from my own personal observations of training in our aviation units, as well as ground units, that no one is going out to southeast Asia now, either in an air or ground unit, that isn't adequately trained to use the weapons and ammunition with which the Marine Corps is fitted.

Mr. BLANDFORD. When was this shortage of ammunition first brought to the attention of higher authorities, General?

General GREENE. I will have to provide that date.

(The information referred to follows:)

"Marine Corps ground ammunition requirements were first submitted to OSD on July 22, 1965, for inclusion in an amendment to the fiscal year 1966 budget request. An additional list of ammunition needs,

[deleted] was submitted on November 28, 1965. Monthly report of selected items of ammunition [deleted] showing current and projected inventory status, have been provided to ASD (T. & L.) beginning with the August 1965 report."

THE 750-POUND BOMB

(House hearings, p. 4938)

Mr. CHAMBERLAIN. At the present time, do you foresee any problem in this area as far as having adequate supplies of ammunition to meet all contingencies we may face?

Secretary McNAMARA. With the exception of what I would call new items. For example, the 40-millimeter air-launched grenade which was type classified not too long ago, I have forgotten, perhaps a year or so ago. That kind of a new item, of course, we may be in short supply for a period of time after it is initially produced until stocks can be built up. Or there may be a case where we are using an old item in an entirely new way such as the 750-pound bomb which is being dropped by strategic bombers, the B-52's, in quantities of [deleted] per B-52, against double-thick jungle canopy targets for area bombing. This is a use never anticipated when the inventory requirements for the 750-pound bomb were established.

Now, in that kind of a—

Mr. CHAMBERLAIN. Did you have any shortages there?

Secretary McNAMARA. In that kind of a case I can conceive shortages developing. We don't at the moment have a shortage of 750's [deleted]. Actually, the bomb racks in the B-52 are being changed to allow it to carry not 51 bombs at a crack, but [deleted] bombs, mixed between 750's and 500's. This is just a fantastic expenditure rate for these bombs [deleted].

M-16 RIFLE

(Senate hearings, p. 135)

Senator TOWERS. Are we meeting the demand for the M-16?

Secretary McNAMARA. Well, we are not meeting the demand for it because everybody—

Senator TOWER. I mean, what progress are we making toward meeting it?

Secretary McNAMARA (continuing). Because everybody in the theater wants to have one of them at the present time. But before any requirements came in from the field for additional M-16's I just put [deleted] more on order with the thought that it would be useful to have them in inventory and they don't cost very much. Since that time the requirements for [deleted] has come in, and we have put an additional quantity on order. [Deleted.]

[Colloquy deleted.]

SPARE PARTS FOR THE C-141 AIRPLANE

(House hearings, p. 4927)

The CHAIRMAN. I gather you are having a little difficulty in getting spares for the aircraft?

Secretary McNAMARA. For the C-141?

The CHAIRMAN. For the 141.

Secretary McNAMARA. I hadn't heard that, but it is entirely possible and not unusual for a new aircraft just entering the inventory to encounter some spare shortages until actual experience can help establish the inventory levels to be maintained. We are certainly utilizing them at a higher rate than originally planned, although I think we are justified in that.

The CHAIRMAN. I think you are.

Secretary McNAMARA. This increase from 5 to 8 hours per day for the Military Airlift Command aircraft, both the C-119's and C-130's, increases our effective capability by three-fifths, or 60 percent. It is a tremendous increase. When we did that we put more spares on order. You authorized us additional funds.

TRANSFER OF MATERIAL FROM EUROPE

(House hearings, p. 4906)

Mr. ARENDS. Have we drawn down on existing inventory substantially, ammunition, supplies, et cetera, from other areas of the world?

Secretary McNAMARA. Generally speaking, no.

Mr. ARENDS. Generally speaking?

Secretary McNAMARA. The inventory draw-down for South Vietnam has come basically from central stocks in the United States. There was a drawdown of \$50 million worth of equipment, and supplies from Korea, I think, and there has been a shift of some surplus supplies from Europe.

TRANSFER OF AMMUNITION FROM EUROPE

(Senate hearings, pp. 202-203)

Senator CANNON. In a very recent report I saw an indication or an outright statement that we were having to take machineguns from tanks in Europe, thus depleting our firepower there to make them available in South Vietnam. Is there any truth to that statement?

Secretary McNAMARA. I have never heard of any such situation. I can't imagine it is true. General Wheeler, have you ever heard of a place where we have taken machineguns from tanks because of a requirement in South Vietnam?

General WHEELER. I certainly don't know of anything like that. In fact, I would, without knowing anything about it, say it can't be true. I can't see any reason for it.

Secretary McNAMARA. Every single movement of men and equipment from Europe to South Vietnam requires the prior personal approval of either Mr. Vance or myself, and I know I have never approved anything like that, and I doubt very much that he has. As a matter of fact, we have approved very few cases of movements of equipment or men for that matter, from Western Europe to South Vietnam. It hasn't been necessary to make such transfers.

Senator CANNON. But there have been some movements?

Secretary McNAMARA. Very, very small number.

Senator CANNON. Troops or material?

Secretary McNAMARA. Very small numbers. I would be happy to give you the list if you wish. The most notable one I can think of was five aircraft, I think they are—what were they [deleted].

General WHEELER. [Deleted.]

Secretary McNAMARA. Those are the most significant movements I can think of, but I would be happy to insert in the record a list of all the others.

Senator CANNON. Has there been any shift or transfers of supplies or spare parts from Europe to South Vietnam?

Secretary McNAMARA. I think not, with the exception of some surplus ammunition stocks. But I will be happy to check that. (The information requested is classified and was forwarded separately to the committee.)

Senator CANNON. What is the basic movement of ammunition; what caliber is the basic movement of ammunition from Germany to Vietnam?

Secretary McNAMARA. I can't answer the question offhand, but I will be happy to insert it in the record.

(The information requested is classified and was furnished separately to the committee.)

THE 1,000-POUND BOMBS—AVAILABLE IN WORLDWIDE INVENTORIES

(Senate hearings, p. 204)

Senator CANNON. Yes. Now, I note that you don't propose the use of any 1,000-pound bombs. I have heard this statement from some military people that the thousand-pounders could be used to good advantage in Vietnam in some instances.

Secretary McNAMARA. We are using them, and we do plan to continue to use them.

Senator CANNON. You have started to use them now?

Secretary McNAMARA. Well, we used them in July through September, and we have been using them every month since then, and we plan to use them clear through even to June of 1967.

Senator CANNON. What airplanes were carrying those?

Secretary McNAMARA. I can't answer the question. I will be happy to find out.

(The information requested is classified and was furnished separately to the committee.)

Senator CANNON. You weren't using the B-52's; they weren't using them?

Secretary McNAMARA. No.

Senator CANNON. The B-52's were carrying the 750's and this was an area of criticism that I heard when I was there personally, that they had none available for use—

Secretary McNAMARA. There are inventories available, I may be in error on this, but my understanding was that the 750's were preferred for the B-52's. As a matter of fact, we have got substantial stocks of thousand-pound bombs in our worldwide inventories. We could support many, many times the present rates of usage and I would be happy to see them used more.

I will look into it.

ROTOR BLADES

(Senate hearings, p. 206)

Senator CANNON. Now, there was a real problem that developed in connection with the rotor blades. The life expectancy was very much greater originally than actually turned out to be a fact. Has any corrective action been accomplished in this area?

Secretary McNAMARA. I think so.

General WHEELER. [Deleted.]

HOSPITAL BEDS AT CLARK FIELD

(Senate hearings, p. 137)

Senator MANSFIELD. Mr. Secretary, are there funds in this request to enlarge the hospital at Clark Field?

Secretary McNAMARA. Let me check. There are funds for Clark Field, and I have forgotten whether the hospital enlargement is included. Yes, the Subic Bay Hospital in the Philippines is included.

Senator MANSFIELD. Now, the figures given to me, Mr. Secretary, indicate on page 10-B, that \$605,000 is to be spent to enlarge the hospital facilities at Clark Field.

Secretary McNAMARA. About \$3 million at Subic Bay.

Senator MANSFIELD. Yes. But \$605,000 at Clark. It seems to me that it was overcrowded, and they were doing a magnificent job there but they certainly needed a lot more room, a lot more beds and a lot more personnel.

CLOTHING SHORTAGES

(House hearings, pp. 5067-5068)

Mr. BLANDFORD. General Greene, we have had some information to the effect you are going to reduce the clothing issued to recruits by one-half or you have reduced the clothing issued by one-half to recruits; is that correct?

General GREENE. We are reducing the issue of clothing to recruits, but in our opinion this is not going to have any immediate serious effect.

Mr. BLANDFORD. Well, for example, on fatigues, and on underclothing, what will the issue be, do you happen to know?

General GREENE. The issue on utilities is three now, and there will be no change on that.

Mr. BLANDFORD. They will get three. How about clothing?

General GREENE. There will be a reduction in other articles of clothing. I have the list right here. There will be a reduction in green uniforms, from two to one.

Mr. BLANDFORD. Two to one in green uniforms. How about khakis?

General GREENE. Khakis, there will be a reduction in the number of cotton shirts and also trousers?

Mr. BLANDFORD. How about socks.

General GREENE. We are going to substitute brown for black socks.

Mr. BLANDFORD. You are going back to brown. You have excess brown?

General GREENE. We have excess brown, we are going to use those.

Mr. BLANDFORD. How about belt buckles?

General GREENE. I don't think we will run out of those.

POWDER SUPPLY

(Senate hearings, p. 33)

Chairman RUSSELL. Mr. Secretary, are you taking any steps to get alternate sources of supplies? I notice that you had a strike at a plant that makes all the powder we use and that was the only such plant in the United States. Are you taking any steps to assure that we shall not be crippled by that?

Secretary McNAMARA. Yes, sir; Mr. Chairman, if the committee is interested in this, I can put in your record the ammunition production system that we have, showing for each major item the company or companies producing each item. We believe we are adequately protected against strikes.

(The information was supplied for the record.)

Secretary McNAMARA. In the case of the Olin Mathieson strike to which you referred a moment ago, while it is true that Olin was the only supplier, our inventories were such that we could absorb the loss during the strike. We had the option of applying the Taft-Hartley Act but I chose not to do so, believing that with the inventories we had we weren't in danger of any shortage, and that the intervention of the Government through the Taft-Hartley process would simply substitute for the free collective bargaining process. I believed that this would be undesirable and, therefore, we shouldn't apply the Taft-Hartley Act until the strike really began to pinch us.

Before that occurred, it was settled by negotiation between the parties.

Chairman RUSSELL. I read something in the press that you proposed to open another source of supply.

Secretary McNAMARA. Yes.

Chairman RUSSELL. Was that just to bring the parties together?

Secretary McNAMARA. No, sir.

Chairman RUSSELL. Or did you really intend to open up a new source?

Secretary McNAMARA. We do intend to open up another source later this year. It will be run by Olin Mathieson, by the way.

Chairman RUSSELL. With the same strikers employed there, would that be wise?

Secretary McNAMARA. No, sir; I was going to say it would be run by Olin Mathieson, but with a different union, and, therefore, we don't believe that one strike would close down the two plants. We chose Olin Mathieson because they had built the plant, I think during the Korean period or, in any event in prior years, and we see no risk from their operating both plants. But our decision to operate the second plant was not related to the strike.

Chairman RUSSELL. It had no relation to the strike?

Secretary McNAMARA. No sir, it did not.

Chairman RUSSELL. Then the press misrepresented it.

Secretary McNAMARA. I think they did.

Chairman RUSSELL. The press indicated it was going to be opened because you were afraid you would run out of ammunition.

Secretary McNAMARA. No, sir; that was not the case.

Chairman RUSSELL. It had nothing to do with it?

Secretary McNAMARA. It wouldn't have

come into operation anyway in time to have given us relief from the results of the strike.

Chairman RUSSELL. [Deleted.]

Secretary McNAMARA. [Deleted.]

HELICOPTER CUTBACK

(Senate hearings, p. 37)

Chairman RUSSELL. Do you recall back in 1965 we appropriated a very substantial sum for the Iroquois and the Chinook helicopters and the Department asked for approval of a reprogramming request to reduce that number substantially that was based in part on a reevaluation of aircraft requirements? Since the step-up in hostilities in Vietnam the procurement of them has been sharply increased and this program today requests a further increase in production. None of us have perfect foresight, of course, but the Congress has been castigated so much for its errors—I wonder if you would agree there was at least a small mistake in the Department of Defense when the Department cut back the helicopter program in 1965?

Secretary McNAMARA. Mr. Chairman, I won't say it was a mistake of the Department of Defense. I cut it myself. I cut it from 75 a month to 60 a month in line with the requirements as we saw them at that time, which was before we made the decision to vastly increase the number of Army helicopter companies. In retrospect, it was my mistake, because we didn't appear to need the additional production, and I am not sure it would have made very much difference if we had had them, because we are now planning on a much higher rate of production.

In the case of the Chinook, I don't remember the figures but I don't believe the cut was great.

Chairman RUSSELL. No; it wasn't extensive.

Secretary McNAMARA. Anyhow, it wasn't the Department of Defense; it was I who made the mistake.

Chairman RUSSELL. You would have a mighty hard time convincing the people in this country and particularly everybody in uniform that you are not the Department of Defense, Mr. Secretary.

Secretary McNAMARA. In that case—

Chairman RUSSELL. So if you made the mistake, it was the Department of Defense's mistake?

Secretary McNAMARA. No; it is perfectly clear in retrospect that the decision I made then was in error. There is no doubt about that.

HELICOPTER PARTS

(Senate hearings, p. 354)

Senator INOUYE. During our visit in Vietnam, in conferring with officials of the 1st Cavalry Division, we were informed that [deleted] percent of the helicopters were on that day grounded because of lack of parts. What is the present situation?

Secretary McNAMARA. The total theater situation with respect to helicopters grounded for lack of parts has improved materially. For the 1st Cavalry it was down to [deleted] percent on January 11. This improved substantially because of the Red Ball Express which we initiated about December 8 or so. This was after you had been there and returned, I think.

One of the reasons we organized the Red Ball Express was that our experience—General Wheeler's and mine—at the 1st Cavalry Division was identical to yours. I don't think they had as many as [deleted] percent grounded when I was there but they did have a fairly substantial number down for lack of parts. When we came back we set up this special supply chain in order to overcome that deficiency. It involves three elements, basically: Westmoreland's office in South Vietnam which does nothing but specialize in expediting the distribution of critical military items (a special allocation of the military Airlift Command aircraft is reserved specifically for that purpose); a Westmoreland-managed office on the Pacific coast which re-

ceives a request from the Westmoreland office in Saigon, expedites it through the supply chain in this country, and puts the needed parts on the airplane. Since that express service was set up we have shipped about 1,400,000 pounds of special freight through this system and it has dramatically cut the out-of-operation-for-parts rate for helicopters in Vietnam.

We still have some problems on parts for bulldozers and material-handling equipment, however.

HELICOPTER PARTS AND MATERIAL-HANDLING EQUIPMENT DEFICIENCY

(Senate hearings, pp. 139-40)

Senator MANSFIELD. What is being done to rectify the deficiency in spare parts especially in the 1st Cavalry area where as a result of the battle of the Iadrang Valley and other encounters, there were a good many of the helicopters on the ground in late November and the first part of December?

Secretary McNAMARA. Well, the out-of-commission rate of helicopters at the present time, I think, is very satisfactory. It is so for several reasons. Among them was the establishment of a special air transport system in early December 1965 to allow the prompt delivery of critically needed parts. Partially as a result of that action and partially as a result of other actions taken, the "out-of-commission" rate for helicopters has dropped very substantially—down to a level that I think is satisfactory at the present time.

Senator MANSFIELD. Good.

Secretary McNAMARA. This doesn't apply, by the way to some other items of equipment, most notable of which would be material-handling equipment which still has a very high "out-of-commission" rate largely because of a diversity of types and makes and models and the difficulty of providing spare parts for such a diverse group of equipment.

Senator MANSFIELD. Of course, we realize, Mr. Secretary, that there has been a very difficult situation there with the buildup in men and in trying to bring up the logistics supply to par, and I raised the question not in criticism but in order to set the record straight to make sure that something is being done to correct it.

Secretary McNAMARA. I think we have had imbalances in stocks and equipment reflected in high "out-of-commission" rates, and I am sure we will continue to have them in the future as unanticipated situations develop. It takes time to correct the planning factors used in planning the logistical system but as of the moment the helicopter situation is very good indeed. We have about [deleted] operating there, and they are operating quite satisfactorily.

SHORT SUPPLY OF WAREHOUSES AND SHIPPING BACKLOG

(Senate hearings, p. 138)

Senator MANSFIELD. In the matter of logistics, we are all aware by now, I think of the fact that for months past our ships have had to stand in line outside of Danang, Saigon, and other ports of entry. That on occasion ships have had to leave the line because of being low on petrol and food, go back to the Philippines, refuel and restock their food larders and then come back and stand in line again. We are also aware of the fact that the docking facilities are not anywhere near adequate or capable of handling the shipping which is going in. There is a short supply of warehouses. Are those factors being rectified at this time to any considerable degree?

Secretary McNAMARA. Well, I think that the solution will not prove too difficult nor need it take too much time to achieve it. In November there were 122 ships being unloaded in South Vietnam or awaiting their turn to be unloaded in South Vietnamese waters or in the holding areas. That total of 122 had dropped to 81 on January 11 and

that compares with what we consider to be a normal inventory of 59. So, I think considerable progress has been made between November and January 11 and we anticipate still further progress will be made to reach the normal level sometime in March. Moreover, the port capability we believe, will expand about 75 percent between January of this year and midyear, so it looks to us as though we are well underway in a program to absorb the tremendous increases in tonnages which are moving into South Vietnam. [Deleted.]

In any event, the present delays, according to Westmoreland and Sharpe have not affected adversely our combat operations.

SHIPPING BACKLOG

(Senate hearings, p. 355)

Senator INOUYE. How is your military construction program progressing there?

Secretary McNAMARA. Slowly, I think.

Senator INOUYE. Is it up to your satisfaction?

Secretary McNAMARA. Well, it is probably progressing as rapidly as it possibly could under the circumstances. As you know, construction labor, skilled construction labor, is in limited supply. There was literally nothing in the way of infrastructure in the country, the airfields and ports had to be constructed virtually from scratch, and the roadways and communications system all had to be installed. The buildup has been slow for that reason.

However, I think it is fair to say that up to the present time we haven't suffered seriously as a result of it. The shipping backlog was very great in November. We had 122 ships, either there or waiting in holding areas to move to South Vietnam, compared to what we would consider a normal backlog of about 59.

That 122 backlog in November, however, dropped to 73 by the 20th of January. So I think that while the construction work has been difficult and slow because of lack of skilled labor, it has not been a serious limiting factor up to the present time. It may become so in the future but it hasn't been so far.

RED BALL EXPRESS

(Senate hearings, p. 207)

Senator CANNON. What has been done to speed up, in the requisitioning system, items that are in short supply, repair parts and items of that nature?

Initially, as I understand it, when the units first went in they were given a forced supply account that was automatically shipped, automatically sent to them. But when they developed shortages the requisition system did not seem to be adequate in some instances to keep them supplied with the repair parts that were actually needed.

Secretary McNAMARA. We have set up a special procedure and associated air transport system known as the Red Ball Express for taking care of unanticipated requirements. There is a unit under General Westmoreland's command in South Vietnam, another unit in this country, on the Pacific coast, and a certain daily tonnage of air shipment capacity is reserved solely for his use. He has his unit in South Vietnam obtain from the combat units any special requirements they have, forward them over here to the units under Westmoreland operating on the west coast. That unit, in turn, picks them up from our defense inventories in this country, and has the authority to utilize this reserved air transport capacity. I think that this already has, and will in the future continue to relieve some of these unanticipated shortages and requirements as they develop.

Mr. Speaker, this concludes my remarks and I prefer without further comment to have this declassified testimony speak for itself on the subject of reported shortages in Vietnam and elsewhere.

SCHOOL LUNCH PROGRAM

(Mrs. MINK (at the request of Mr. RONCALIO) was granted permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mrs. MINK. Mr. Speaker, I rise today to voice my strong opposition to any cutback in the present operation of the school lunch program. I find it most difficult to conceive how the cutback from \$202 million in fiscal 1966 to \$183 million proposed expenditure for fiscal 1967 can be contemplated, either as a justifiable saving in the Federal budget or as a move that would not affect the health of our Nation's children. Though I applaud the administration's proposal to increase its support of free lunches for needy children, I think it most unwise to withdraw subsidies from other young people, many of whom will undoubtedly cease to participate in the lunch program if the cost to them is increased.

The importance of the school lunch program has been recognized by five successive administrations, starting back in 1936 during the Presidency of Franklin Delano Roosevelt, and has been maintained in full operation ever since, having been made permanent by the National School Lunch Act of 1946. Under this program, the Department of Agriculture works closely with school districts around the country to see that as many children as possible have hot meals available to them at reduced cost. At the present time, more than 18 million young people are benefiting from this Federal program by way of reimbursement in the form of cash payments and by surplus commodities.

The U.S. Congress in 1946 declared the intent of the National School Lunch Act to be "to safeguard the health and well-being of the Nation's children, and to encourage the domestic consumption of nutritious agricultural commodities and other food." Mr. Speaker, I pose the question of whether this 89th Congress will be the one to declare this program not important enough to be maintained at full level. Is this a Congress that will declare the nutritious diet of our schoolchildren to be even partly expendable? I would hope not.

The school lunch program is too vital to my State and to America to be even slightly curtailed. I am receiving letters daily from school officials, cafeteria managers, and concerned citizens about the administration's proposed cutbacks for 1967. Typical of their sentiments is the following commentary by Mrs. Sakiko Okihara, cafeteria manager at Waimea High and Elementary School in Kauai County:

I firmly believe that our national stamina is so tied up with the health of our people. For physically strong and mentally awake good bodies, wholesome food is a basic ingredient. If the cost of school lunches has to be raised to keep the school lunch program operating, and if some families should find it necessary to send their children to school hungry, then I would conclude that the contemplated and proposed slashes should not be enacted.

The school lunch program is highly utilized in Hawaii, Mr. Speaker, for both educators and parents recognize its con-

tribution to the health of our youth. In fiscal 1965, over 20 million school lunches were sold at reduced cost in Hawaii, and more than 800,000 free lunches were served under this program. I cannot see how turning federally subsidized programs more and more in the direction of welfare assistance to needy children only, instead of allowing all our children to benefit, can be serving the public interest, and I urge my colleagues to see that the proposed cutbacks are not made.

To demonstrate the deep concern engendered in Hawaii by the Department of Agriculture's reduction in the school lunch program, I insert in the RECORD at this point a concurrent resolution adopted by the Third Legislature of the State of Hawaii urging continuation of the program at current level:

"Whereas proposed cuts in the President's budget for the school lunch program means a loss of about a million dollars to the State of Hawaii and will cause an increase in the cost of school lunches which may lessen participation in the school lunch program and thereby further increase the cost to the State to maintain the school lunch program: Now, therefore be it

"Resolved by this senate (the house concurring), that the Honorable Senator DANIEL K. INOUE, the Honorable Senator HIRAM L. FONG, the Honorable Representative SPARK M. MATSUNAGA, and the Honorable Representative PATSY T. MINK be requested to do everything in their power to restore the proposed cuts in the President's budget to the national school lunch program, particularly in the areas of Federal cash subsidy, the Federal milk program and the Federal surplus commodity program; and be it further
"Resolved, That duly certified copies of this resolution be transmitted to the foregoing senators and representatives forthwith."

THE SENATE OF THE STATE OF HAWAII,
Honolulu, Hawaii, March 17, 1966.

We hereby certify that the foregoing concurrent resolution was adopted by the Senate of the Third Legislature of the State of Hawaii, budget session of 1966.

KAZUHIISA ABE,
President of the Senate.
SEICHI HIRAI,
Clerk of the Senate.

THE HOUSE OF REPRESENTATIVES
OF THE STATE OF HAWAII,
Honolulu, Hawaii, March 17, 1966.

We hereby certify that the foregoing concurrent resolution was adopted by the House of Representatives of the Third Legislature of the State of Hawaii, budget session of 1966.

ELMER F. CRAVALHO,
Speaker, House of Representatives.
SHIGETA KANEMOTO,
Clerk, House of Representatives.

LEGISLATION TO AMEND TITLES 26 AND 37, UNITED STATES CODE

(Mr. WILLIAM D. FORD (at the request of Mr. RONCALIO) was granted permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. WILLIAM D. FORD. Mr. Speaker, I am today introducing legislation to amend titles 26 and 37, United States Code, to authorize travel, transportation, and education allowances to members of the uniformed services for dependents' schooling, and for other related purposes.

At the conclusion of last year, I had

the opportunity to serve on a subcommittee of the Committee on Education and Labor charged with the responsibility of investigating educational facilities and opportunities for American dependents abroad. These are primarily the children of servicemen. The subcommittee recently made a full and complete report to the House, defining our findings and outlining our recommendations for improving the school system operated by the Department of Defense.

Mr. Speaker, my eyes were opened to serious deficiencies in that system—in terms of both educational quality and administration. One area of patent inequity is addressed by my bill.

The purpose, then, of this legislative proposal, is to extend to dependents of members of the uniformed services authority, similar to that for dependents of civilian employees, for the payment of travel, transportation, and living expenses incurred in connection with enrollment in schools located in areas other than that in which the sponsoring parent is assigned.

Some of these members serve at posts in areas of the world such as Asia, Africa, and the Near East where there are no dependent primary and secondary schools operated by the Department. Because of language and cultural differences, the local schools are unsuitable, and there are often so few American children in the area that the organization of a special school in the area of assignment is not feasible. Consequently, the parents are forced to send their children to suitable schools in other areas, and only tuition assistance in such cases is available under existing authority. This means that the expenses of travel, transportation, and room and board must be borne by the parents. Needless to say, these expenses present a severe financial burden on the family—particularly so in the case of enlisted men. There are no available means to provide such transportation as a matter of law or practicality.

Mr. Speaker, this legislation follows closely the applicable provisions of the Overseas Differentials and Allowances Act, by which allowances for the transportation, travel, and room and board of dependents of civilian employees may be paid in accordance with appropriate regulations. This includes authority to pay the travel expenses for the purpose of obtaining undergraduate college education, since we now recognize college to be a modern necessity. The same benefit for dependents of military personnel is included in this proposal.

My bill, however, would not authorize the payment of an education allowance for the dependents of military members who are stationed in the Canal Zone, but would authorize the payment of travel expenses for the purpose of obtaining undergraduate college education. Undergraduate college facilities in the Canal Zone are not offered beyond the first 2 years. Military personnel who plan a 4-year college program for their children would likely want them to spend the entire 4-year period in one institution. Further, since these allowances for in-

cidental educational expenses of dependents of civilian employees are excluded from gross income for Federal income tax purposes, a similar exemption is included in this legislation for military personnel.

Mr. Speaker, my bill is in accord with the recognized principle that the Government should provide, to the extent practicable, uniform treatment for its personnel, both civilian and uniformed, with respect to additional expenses necessarily incurred in relation to their overseas service, and with respect to hardships, inconveniences, or other differences which justify additional compensation or allowances. It will also provide a uniform basis for the granting of special benefits to all Government personnel stationed outside the United States.

This bill is supported by the Department of Defense and is acceptable to the Bureau of the Budget. I commend it to the House for consideration with the hope that favorable action may be soon forthcoming.

THE FILING DEADLINE FOR INCOME TAX

(Mr. POOL (at the request of Mr. RONCALIO) was granted permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. POOL. Mr. Speaker, Mayor Lynn Brown, of Irving, Tex., has brought to my attention a problem which I am certain exists throughout the United States in all major cities on April 15, the filing deadline for income tax. He states that annually it is necessary for citizens of Irving—population 57,500 in 1962—to drive some 10 to 15 miles into the main Dallas post office after 5 p.m. on April 15 to assure that their income tax forms will be postmarked before midnight. The Irving post office is a branch of the Dallas post office. It therefore closes at 5 p.m., which negates the possibility of an April 15 postmark on income tax forms mailed there after 5 o'clock.

It would seem to me that the Post Office Department could revise its working schedule on that date for branches and substations in major cities, thereby eliminating this problem for millions of taxpayers throughout the Nation as well as avoiding unnecessary congestion at all main post offices. A further suggestion was employed by the District of Columbia post office last year. Postal clerks were stationed at the curb of the Main Post Office so that citizens could drive up and place his income tax in the bag of one of the clerks. This eliminated long waiting lines and parking problems, and was a great public service.

I hope that my colleagues will join me in urging the Post Office Department to take both these suggestions under immediate consideration for utilization this year.

ADAM YARMOLINSKY AMERICAN PATRIOT

(Mr. GONZALEZ (at the request of Mr. RONCALIO) was granted permission to extend his remarks at this point in

the RECORD and to include extraneous matter.)

Mr. GONZALEZ. Mr. Speaker, it is with extreme regret that I have learned of the departure from governmental service of a great American, who has distinguished himself in public service.

It is a shame that patriotic Americans sometimes are suspect only because of the unorthodox sound of their surnames or their above-average intelligence which prevents them from parroting the jingoistic balderdash we are sometimes subjected to. Mr. Yarmolinsky is the son of a great and inspired and talented and creative parents. As Deputy Secretary of Defense for International Security Affairs, he has done an outstanding and valuable job for the American people.

His talents were quickly and appreciatively recognized by our great President John Kennedy.

I regret that Mr. Yarmolinsky is leaving Government service, for I feel we are losing a great talent our country sorely and desperately needs.

However, Mr. Yarmolinsky will be teaching law at the great and respected Harvard University. This, of course, would make him suspect by the neanderthal and anti-intellectual element that is sometimes so vociferous—and unjust, as they are untruthful—in our country today.

Nevertheless, I take this opportunity to wish Mr. Yarmolinsky Godspeed in his future endeavors and hope that some day he will make available to our Government his exceptional talents and ability once again.

(Mr. GONZALEZ (at the request of Mr. RONCALIO) was granted permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. GONZALEZ' remarks will appear hereafter in the Appendix.]

SCHOOL MILK PROGRAM SHOULD NOT BE CURTAILED

(Mr. GILBERT (at the request of Mr. RONCALIO) was granted permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. GILBERT. Mr. Speaker, our national school lunch and special milk programs, which affect the health and welfare of millions of schoolchildren, are, in my opinion, two of our most valuable and needed federally subsidized programs.

I am strongly opposed to the budget slash of \$82 million in the milk program. Congress appropriated \$103 million for fiscal 1966, and this program has proved to be one that has rendered great value for the dollar spent. It is one of our most effective means of reaching children of poverty and of insuring good eating habits and balanced diets for these children.

The school lunch and milk programs were begun years ago with two main objectives: First, to provide milk and hot lunches to thousands of children who otherwise would not receive them; and second, to assist the oppressed farmer

and utilize surplus farm foods and milk acquired by the Government. These programs have given well-balanced, hot lunches to schoolchildren at the lowest possible cost to them, and the less fortunate who cannot afford it have received the lunches free. They should continue to do so. Congress did not intend these cutbacks.

Mr. Speaker, we continually strive for a more healthy young America. Our Government encourages and supports physical fitness programs in our schools, and we are participating in overseas child-feeding programs. We continue to extend and expand programs to reach the needy and to improve child health and nutrition. We have the Headstart program under the Antipoverty Act, we have child welfare services, aid to dependent children, the food stamp plan, maternal and child health services—all good programs which I heartily support. It seems inconsistent, then, with our dedication to fight poverty, and to improve our Nation's health, to sacrifice the nutritional needs of schoolchildren, and especially at a time when we have such tremendous increases in school populations.

Presumably the new proposals would reach more needy children, and I laud the President for his intent. I believe the proposed pilot school breakfast program for schools in low-income areas is highly commendable, and I will support this proposal. I welcome and support any good program to improve the health of our young and aimed to reach more needy children, but in doing so, I do not believe it is necessary to curtail our present school milk program.

The special milk program for children is being used by 92,000 schools and child-care institutions throughout the country as a means of improving the nutrition of about 16 million children. In my State of New York 5,438 schools use the program, which benefits between 1.6 and 1.7 million children. Families of the lowest incomes—who most often have the largest number of children in school—are the very ones who will be hurt the most if the present milk program is curtailed.

Mr. Speaker, I do not want to see any needy children in my congressional district deprived of this program, and I am sure that my colleagues in the House all share my views and concern.

The funds cut from the milk program should be restored. I urge every Member of the House to join me in seeking restoration of budget cuts in full and to support the continuation of this program in its present form. If this is not done, I will support legislation to set up a permanent children's special milk program.

THE LUMBER AND PLYWOOD GRADE MARKING ACT

(Mr. CORMAN (at the request of Mr. RONCALIO) was granted permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. CORMAN. Mr. Speaker, I am introducing today the Lumber and Plywood Grade Marking Act. It is my understanding that Senator WARREN

MAGNUSON, chairman of the Senate Commerce Committee, is introducing similar legislation in the Senate today. Our able and distinguished colleague from Illinois, JOHN KLUCZYNSKI, is also proposing a virtually identical bill and I am most pleased and honored to have Congressman KLUCZYNSKI's support.

The purpose of this legislation is to protect consumers, homebuilders, building material suppliers, lumber manufacturers and others against false grade marking of lumber and to strengthen the standards program of the lumber industry.

We propose to bar from interstate commerce any lumber which is not properly grademarked unless it is prominently marked "ungraded." Through this means the consumer will be adequately warned of the quality, or possible lack of quality, of the lumber which is purchased. In view of the tremendous and continuing use of lumber if the construction of homes and other buildings used for human habitation, the Congress can do no less than provide this basic protection.

I wish to make it crystal clear that whatever problems have arisen in the misgrading of lumber can be traced to a few unscrupulous operators, rather than the vast bulk of honest businessmen engaged in the lumber industry.

Congressional action is required because much of the lumber used in construction is transported over State lines and local jurisdictions are virtually powerless to enforce safe standards.

This bill represents a middle way, a course of moderation. We propose to strengthen the industry's own standards and means of enforcement, under the supervision of the Secretary of Commerce, rather than injecting direct Federal grading. This proposal constitutes a vehicle which can be utilized to bring the Federal Government and the responsible leadership of the lumber industry together in an effective drive to eliminate deception in the grade marking of lumber and, thereby, to safeguard the public interest.

We provide realistic penalties should the legislation be violated. Improper grading and use of counterfeit grade stamps is made a crime. Injured parties are permitted to bring civil treble damage action. The Federal district courts are empowered to issue injunctions against improper practices.

There is reasonable question as to whether our objectives can best be achieved by the bill as I have drafted it or whether separate legislation concerning plywood would be advisable. I am quite sure that the appropriate committee will study this question. Public hearings will help to clarify the potential impact of this legislation although I do wish to report that the proposal now being introduced has already benefited from extensive consultation both within and without the lumber industry.

We look forward to early hearings and an opportunity to perfect and strengthen the bill. Much work remains to be done but protection of the American consumer and the vitality of our essential lumber industry requires that Congress move quickly and resolutely in this field.

March 23, 1966

CONGRESSIONAL RECORD — APPENDIX

A1693

Nation floated a record number of ships, the United States has slumped to the position of a second-class merchant-ship builder. Countries like Japan have raced to the lead.

One reason is that it costs about half as much to build a ship in Japan as in the United States. Japanese shipyard workers make about 73 cents an hour. American workers average \$3 an hour.

Fifteen years ago, there were 1,955 active U.S.-flag ships, many quite new. Today there are about 870, and most of these are over 20 years old and near the end of their economic life.

The reserve fleet tells a similar story. When the Korean war broke out, the Nation activated 444 ships from its massive reserve fleet of over 2,500 World War II vessels.

But today these same reserve ships are over 20 years old and of questionable value.

What this means is that Vietnam is putting the U.S. fleet under tremendous pressures. Some 125 ships are making the south-east Asia run, including about 60 of the country's slim supply of modern cargo liners.

Tonnage volume to Vietnam has leaped from 300,000 tons per month a year ago to 800,000 tons a month currently.

POINT HAMMERED

Statistics like these prompted the House Merchant Marine Committee, under Edward A. GARMATZ, Democrat, of Maryland, chairman, to call witnesses this week from three big U.S. steamship lines.

Seated at the long witness table were Capt. John W. Clark, president of Delta Steamship Line; William B. Rand, president, United States Lines; and Edward Webster, vice president, Pacific Far East Lines.

The witnesses hammered at what they see as the need for change.

Captain Clark was concerned especially with what the war effort is doing to disrupt ordinary business for the lines.

Due to the shortage of ships and crewmen, he said, "we are losing business to foreign ships which we have worked hard to obtain.

"This," he asserted, "constitutes a big expense to the operators, who have gone to great lengths to build up their commercial trade routes.

"The Maritime Administration estimates that 10,000 tons of commercial cargoes are lost to foreign-flag ships for every month that a single (U.S.), ship is away from its regular commercial trade routes.

"There also results a substantial loss to this country's balance of payments."

Turning to Soviet challenge, Captain Clark noted:

"Russia is building up a large merchant marine and, by her own admission, intends to utilize her shipping as an instrument of foreign policy without regard to cost."

Presently the Soviets boast a merchant fleet of almost 1,500 vessels. Most are new and efficient ships built since 1950.

In addition, Soviet orders for new ships rose from 225 in 1962 to 673 in 1964, while in the United States, orders and ships under construction at private yards declined from 84 in 1958 to 47 in 1965.

Captain Clark estimates that it would take subsidies of \$500 million a year to turn the tide for the industry.

The witnesses also rapped the multimillion-dollar research and development program of the Maritime Administration.

"I regret to say," Captain Clark said, "that the research and development program has been of little or no benefit. Most of the funds budgeted have gone into the *Savannah* [nuclear ship] program. * * * The balance has gone into hydrofoil and surface-effects studies, which are very limited in scope and basically military in nature. * * * I know of no single project * * * which is of benefit to commercial trade."

Research work is needed, witnesses said, to boost sea speed without cutting loads.

Efforts are also needed to improve cargo handling.

The Maritime Administration acts under the Nation's basic maritime law, the Merchant Marine Act of 1936. The law states that it will be the policy of the Government to aid national defense and commerce by supporting the merchant marine.

The Government, it says, shall see that the merchant marine is "sufficient to carry a substantial portion of the water-borne export and import foreign commerce." (The national fleet now carries 8.5 percent of the \$30 billion annual trade.)

BRIGHT SPOTS SIGHTED

A close look at the U.S. fleet shows that the picture is not entirely dark.

For its \$273 million annual operating subsidy, for example, the Government now sees a relatively thriving fleet of about 300 cargo liners.

Another 300 ships ply domestic waters—and thus have no foreign competition and fewer problems.

But then there are the 270 tramp ships—the bulk carriers that operate on irregular schedules. Every ship in this fleet now is over 20 years old. None receives a subsidy.

Should these tramps be replaced? This is a key issue.

Finally, there is the massive reserve fleet. The ships are old. They are slow. They are inefficient. Each one costs \$400,000 to reactivate—and, it is said, another \$400,000 in repairs within a few months. On these ships, facilities are uncomfortable. Four men share a single, hot cabin. On modern ships, each man has his own air-conditioned cabin. So crews would be hard to find.

At present, 86 ships from the mothball fleet have been reactivated, and this will soon rise to 111. But some feel that the entire fleet should be scrapped and replaced with a fewer number of modern vessels.

No clear answers to these problems have come from the White House. Indeed, word from the executive branch has been, if anything, conflicting.

CONFLICT TRACED

The conflict stems from two studies completed in 1965. They were initiated by two succeeding Secretaries of Commerce, John T. Connor and Luther H. Hodges.

Mr. Connor's study group was known as the Interagency Task Force. Among its controversial proposals:

Close all shipyards except those considered vital to emergency needs; cut subsidies by 10 percent over the next 5 years; allow ship operators to buy foreign-made ships and register them under the U.S. flag (not now allowed); drop all passenger trade; limit the U.S.-flag fleet, active and reserve, to 1,000 ships; merge the 9 seagoing unions into 3.

This was countered soon after it came out by a study initiated by Mr. Hodges. This group backed the subsidy system—even supported expansion of the current system.

Both reports have been dumped in the lap of President Johnson.

The only word so far this year from Mr. Johnson was that the Maritime Administration was to be placed in the new Department of Transportation.

The Philippines Stake in Vietnam

EXTENSION OF REMARKS
OF

HON. CORNELIUS E. GALLAGHER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 23, 1966

Mr. GALLAGHER. Mr. Speaker, President Marcos of the Philippines re-

cently made a nationwide television speech to his people on the issues of the war in Vietnam and his country's stake in that struggle. It was a moving address which reaffirmed the determination of the Philippines to stand solidly on the side of freedom in Asia. It was in this speech that President Marcos announced his decision to send engineer troops to aid the allied war effort in Vietnam. He said:

If we sat by, complacently awaiting the uncertain arrival of peace, we might wake up to find that we had nothing to negotiate about.

I hope that all Americans will read his inspiring words. Some people ask how our friends and allies in southeast Asia feel about Vietnam. I think President Marcos' eloquent speech supplies an answer:

My countrymen, Vietnam today is a name that agitates the world. But if this name is urgent for mankind, it should be ominous for those who are so close, geographically and physically, as we are, to Vietnam. Those used to air travel know that Saigon is almost as close to Manila as, say, Hong Kong. If any time the bell tolls for freedom in South Vietnam, none will hear it in greater pain, or with deeper foreboding, than the Filipino people.

A long time ago we decided for our national interest that we are free and cannot accept communism.

While we have been willing to live in peace with any political ideology—communism has not been so complacent.

In accordance with the Communist plan of action and subversion and the use of indigenous forces for the forcible overthrow of the duly established government, the Huk-balahaps instituted a reign of terror which required all our human, spiritual, and material resources to overcome.

When we were threatened with this internal danger, we entered into the Mutual Defense Pact with the United States. Under the military agreement, we armed our soldiers with the weapons from the United States.

We joined the United Nations and the Southeast Asia Treaty Organization—the latter being an aggratation of countries agreed to contest, by force of arms, if necessary, the armed aggression of communism. These are international agreements and commitments we cannot now discard.

Rather than discard them, our legislature embodied these agreements and commitments into our domestic laws by outlawing communism under Republic Act 1700.

The policy thus embodied in international agreements and laws of our country was reaffirmed by our government in the Manila communique of April 12, 1964, and the Ministerial Conference in London in 1964 wherein we promised to extend moral and material aid to South Vietnam.

In accordance with this policy when on August 10, 1964, the Republic of Vietnam requested from the Philippines, aid in her fight against communist aggression, the request being limited to projects therein indicated, we extended the requested aid in the form of medical and psychowar teams. In accordance with Republic Act 4162, approved July 21, 1964, we have 68 uniformed officers and enlisted men in the Republic of Vietnam consisting of physicians, surgeons, nurses, psychological, rural development and civic action workers. In the London communique the member governments of SEATO agreed not only to be prepared to take further concrete steps necessary to assist South Vietnam but agreed "to continue and, consistent with their commitments elsewhere, to increase their assistance to South Vietnam."

A1694

CONGRESSIONAL RECORD — APPENDIX

March 23, 1966

This was in consonance with the Macapagal-Johnson joint communique of October 6, 1963, which stated that—

"The two Presidents exchanged views on the situation in southeast Asia and pledged themselves to maintain the unity of commitment and purpose between their countries in defense of the right of the free nations of southeast Asia to determine their own future. * * * The two Presidents reaffirmed their intention to stand by the people of South Vietnam and reiterated their commitment to the defense of southeast Asia under the SEATO agreement."

The problem of involvement of our Government in the conflict in South Vietnam has been resolved. The only question presented to us is whether this commitment and this involvement shall be manifested by an increase in the aid thus extended to South Vietnam. This was occasioned by the request for further aid by the Government of the Republic of South Vietnam on April 14, 1965, wherein it formally asked for engineer troops. In accordance with this request, last year House bill 17828 was presented in the House of Representatives and approved by that body but was not acted upon by the Senate.

The formal request of April 14, 1965, was reiterated to me on February 2 of this year by the Government of South Vietnam through its Ambassador. The Government of South Vietnam declared that the South Vietnam chief of state is reiterating its original request for engineer troops. A memorandum of this reiteration is now in the records of the Department of Foreign Affairs.

In accordance with this request an intense public debate now occupies our people.

It is said that it is impossible to please everyone. After 49 days in office, I realize it is impossible even to please one's own self often enough. These are the two facts that make my decision to speak to you tonight a painful one. For while it is my personal desire to make decisions pleasant for everyone, the clear duty of my office does not always make this possible. The performance of duty is a stern and demanding measure of any man, let alone of a President.

I have, through a series of consultations and conferences with the keenest and best informed minds available, studied all the possible aspects of the Vietnam question. This almost interminable series of discussions and briefings was necessary because the question concerning Vietnam involves the highest welfare of our country, not only today or the months to follow, but for many more generations to come.

You will recall that the discussions on this question were reported freely to the press and through various other media. This too was necessary, because it is my wish that all shades of opinion, that all voices that cared or dared to express themselves should be heard, with the freedom and the leisure that was possible.

If I have been accused of weakness or inconsistency, as indeed I have been in some quarters, that, I must grant, is the privilege of every citizen.

Nevertheless, it is also my painful duty to point out, as I do now, that leadership is not synonymous with rashness, nor does it preclude the exercise of caution and prudence.

On the contrary, it is the leadership that acts with cautioned prudence, that informs itself before it acts, that is to my mind the leadership which can claim to have fulfilled its duty. It is the leadership that can truly be firm. I now propose to exercise that leadership.

It is my sincere, my honest, my firm judgment that my decision to send engineers to South Vietnam is in the highest interest of the country.

I cannot tell you in this public manner all the intimate reasons why this is so, but I must assure you that all of them together concern the security of our people.

Fortunately, as I had already shown we are committed. Fortunately, we have chosen a side in the deepening conflict between democracy and communism. It is my intention as the leader of this nation not only to reaffirm that commitment but to make it more meaningful.

This commitment involves continued partnership with the United States. It involves continued allegiance to agreements with that country and other countries of similar ideologies and purposes. The Philippines cannot turn against that commitment. I do not propose to be the President who would bring this country and this people to the eternal shame of perfidy.

In respect to the war in Vietnam, there are four important principles which should underlie our course of action. The first is that we desire the establishment of peace in Vietnam at the earliest practicable time. We desire this peace for the sake of the people of Vietnam, for our own sake and for the sake of the world. For we realize that the longer this gruesome and brutal war lasts, the greater are the dangers that it would escalate beyond the point of no return.

We are, therefore, prepared to initiate or support any moves designed to bring the parties to the negotiating table. We shall support any moves designed to halt an interminable war that has laid waste an entire countryside and visited death upon the thousands of innocent civilians, including women and children. We shall support any move designed to lead to a peace which shall not sacrifice our principles or endanger our national security.

The second principle is this. While supporting initiatives toward peace, we regard it as essential that the relentless pressure of Communist aggression in Vietnam be stopped. The necessity for stopping this aggression is obvious. If we sat by, complacently awaiting the uncertain arrival of peace, we might wake up to find that we had nothing to negotiate about.

In the widening public dialogue about Vietnam, one thing clearly emerges—there is nationwide agreement about the necessity of extending assistance to the beleaguered people of Vietnam. It is established beyond dispute that the war in Vietnam is not a civil war, in the historical sense of that term. It is a war on an international scale, involving massive aggression from Communist North Vietnam, with the active encouragement of Communist China. That is no longer confined within the borders of South Vietnam, for it involves directly or indirectly the two countries formerly associated with Vietnam; namely Laos and Cambodia. And in neighboring Thailand, Communist terrorists have begun a campaign of destruction, apparently with the intention of securing the flank of the Laotian area through which the Ho Chi Minh trail, a major Communist supply line passes.

Inside Vietnam itself, the gravity of the situation is manifest. Of its nearly 16 million people, almost one-fourth is under Communist control. And more than half of its total area is in enemy hands, marking a high point in the extent of Communist conquest.

The question, then, of extending assistance to Vietnam is no longer debatable. Indeed, since the Congress voted to allow the sending of medical and psy-war teams to the embattled country, the question as such has become academic.

There is a third principle and it is of great relevance to the question before us. This is our unquestioned obligation as free and independent people to succor peoples of kindred faith fighting in defense of their freedom. If we did not, we would be disloyal

to our own history and ignorant of the meaning of past events. We ourselves broke the back of a massive rebellion led by Communists just over a dozen years ago. We share with the people of Vietnam an intimate knowledge of Communist terror. We cannot therefore view their plight with anything less than sympathy, or indeed with anything less than the praiseworthy desire to help them.

Finally, and most important of all, we feel that in aiding Vietnam we are insuring our own future safety. The vast sea that separates us from the Asian mainland may provide protection from external Communist aggression but it can hardly provide defense against homegrown Communists. For one thing it is certain. And if the Reds win in Vietnam, that victory will signal the reactivation of Communist insurgency all over southeast Asia, including the Philippines. Almost certainly, it will mean renewed Communist activity in the Philippines.

While we remain confident of overcoming this eventuality if it should arise, we would be forced in the future to divert our energies and resources to a degree a hundred times more than that required now which would otherwise be devoted to the urgent tasks of social and economic development. We feel therefore that assisting Vietnam today constitutes one form of guarantee that Communist activity does not arise in our country again and that our own efforts at material progress shall continue free from the hindrance of Communist subversion.

There should be no misunderstanding on this point. Philippine assistance to Vietnam is based on a hardheaded assessment of our own national interests. But there is clearly a limit to the kind of assistance that we can give Vietnam, for we ourselves need all our resources, and more, for the internal requirements of national growth. We shall therefore base the scale of our assistance on two considerations—first, what can we safely afford, secondly, and within this limitation what is the kind of assistance requested by the Vietnamese Government? In the past, we extended assistance in the form of medical and civic action units. We now propose to send an engineer battalion with minimum security protection.

What can we afford? I have stated in the state of the nation address and in my inaugural address that we are in crisis and in serious need of funds for our own government operations.

Because of the campaign against smuggling and the intensification of tax collection the original estimate of President Macapagal for a government income of P1,888 million can be attained or approximated. At the beginning of this year, we programed expenditures amounting to only P1,670 million. We have increased this today to P1,750 million in view of the increased collections, especially in April when income tax collections will begin. If we can maintain the present rate of collection we will attain the target of P1,888 million. If we spend only P1,750 million, this will leave an amount of P138 million for expenditures for public works as well as for the engineer construction battalion that we are sending.

But I want to make it clear that if necessary to attain the security of the Philippines, I would be willing to incur deficit in government expenditures. It is a pleasant task, however, to inform you that there will be no necessity to incur such a deficit for this particular project.

At this instance it is necessary for me to deny vehemently that I made this decision for and in consideration of any additional aid whether in dollars or any other form from the United States or from any other source. Neither coercion, threats, blackmail, nor dollars has dictated my judgment. Now and in the future only the national interest of the Philippines shall determine my decision.

Objections to the proposal to send engineering teams to Vietnam center around two points—first, that the engineering teams are in fact combat units and secondly, that Philippine assistance is of dubious value to the total Vietnamese effort.

Let me deal briefly with these two objections. As to the first, it can be stated that it rests on a misconception. The engineering teams are what the Vietnamese Government asked for and that is what we are going to send them—an engineering team, not combat units. These teams will be there to continue their specialized skills, not to hurt or kill Communists. We do not discount the possibility that they might get shot at, and that is the reason for the security cover.

We have never considered the medical team and the psy-war team composed of our men in uniforms as combat units. What distinguishes the man in uniform of a combat unit from those that are not? The principal purpose of the combat unit is to hunt and kill the enemy. It is not the purpose of the engineers to hunt and kill the enemy but rather to reconstruct and rehabilitate destruction in the areas recovered by combat units. And the purpose is to include, in the engineer team to be sent to South Vietnam, only volunteers from the armed forces of the Philippines.

As to the second objection, it seems to miss the point entirely. In sending the engineering units to Vietnam, it is not part of our plan, as it were, in the heroic fashion prescribed in war moves. We would if we could, but our aim is more modest. In addition to the undoubted concrete and material contribution that our engineering units can make to the Vietnamese, the function of this assistance is symbolic. By our action, we signify our solidarity with those who are determined to see that Communist aggression will always be resisted whatever the cost. Moreover, it is in conformity with our pledge as a signatory of the London declaration to assist the people of Vietnam morally and materially. It is not of wide public knowledge that 41 countries are actively adding the Vietnamese effort, and among these the Philippine contribution is among the more modest.

We are, finally, confident that our assistance, no matter on how small a scale, will contribute to the necessary job of increasing the morale of the Vietnamese people, now badly battered by a decade of unrelieved conflict. If we succeeded in this, if by so much we increased the will of the heroic Vietnamese people to continue fighting, if we keep alive their hope of eventual peace and freedom, then surely no one can say that our effort has been a total waste. That is what we seek and that is what we hope for in Vietnam.

My countrymen, I have revealed to you all matters that I feel can now be publicly ventilated. There are others within the peculiar knowledge of the President which bear heavily on this decision, but I assure each and everyone of you that the national interest is the guide in this position.

I can add that the Philippine Communist movement is a part of Asian communism. Communism does not die in a country once infiltrated by it. It merely subsides and in this country it has subsided into a parliamentary struggle. It has resurrected in the intellectual arena and the Communist cadres that are being reorganized. I point to this danger. For if indeed it is a war that we fight because we send an engineer construction battalion to South Vietnam, this supposed war we fight today will stop the wars our sons may need to fight tomorrow. There are those who say that the Philippines should not be involved in Vietnam at all, considering that the war in Vietnam is a senseless American war which, moreover, could not be won at all. This conclusion is challenged by the fact of our own national experience. In our country the Huk move-

ment persisted for 20 years, and it was defeated by a combination of superior military force and broad social reforms. The same thing happened to communism in Malaysia, Turkey, Iran, and Greece. And those who still nurse hopes of the infallibility of communism need only to be reminded of how very recently the Communist Party of Indonesia tricked itself into virtual extinction through an excess of zeal and overconfidence that is so characteristic of this type of political activist everywhere.

All these facts indicate that communism can be beaten and that the fanaticism of Communists is most often their own undoing.

Let us turn to the American presence in Vietnam. The fact that the United States shoulders the major burden of the Vietnam war does not change the fact that this is an Asian challenge. The United States is in South Vietnam because there are enough South Vietnamese who are willing to die for the opportunity to live in freedom. It is not true that the United States is in Vietnam out of selfish national interest. As a matter of fact, the main body of the protest movement in the United States and the criticism of U.S. Senators opposed to the war is that engagement does not serve America's interest.

But there is no question that our own national security is involved. Red China's support of the "war of liberation" in South Vietnam has, indeed, uncomfortable implications for us in the Philippines. China is already lending increasing support to the "national liberation" movement in Thailand, and this is partly because Thailand serves as a base for some of the air raids against North Vietnam and for occasional air strikes against the routes by which Vietcong men and supplies pass through Laos. The success of the "war of liberation" in South Vietnam—once brought about by American withdrawal, if critics will have their way—will encourage subversive elements within the Chinese minorities of Indonesia, the Philippines, and Malaysia to subvert the existing governments. Once again, let us not forget too easily Peking's recent attempt to overthrow the existing governments in Indonesia which was supposedly neutralists.

Finally, if subversive elements, foreign as well as Filipino, were sure that henceforth Americans, for fear of being called imperialist or for the lack of an Asian will to fight for freedom, will turn a deaf ear to the request for help of established governments, then they will have done with the one obstacle to request—America's readiness to defend freedom in Asia with American arms, American ships—and American lives.

The U.S. plight in Vietnam must be seen separately from the irritants in Philippine-American relations. The issue is larger than our grievances with the United States. We are tackling these grievances. We are determined that Philippine-American relations must continue to evolve toward widening equality and true reciprocity as between two mature and friendly states.

It has been charged that I reversed myself on the Vietnam question; that during the campaign, I opposed the sending of combat troops to Vietnam. What has been mistaken for a reversal of position was actually a change in emphasis. In the campaign, I declared myself opposed to the utilization of the Vietnamese crisis by the party then in power as the pretext to circumvent the rule of law and abridge the liberties of citizens at home. I criticized the attempt to create a hysterical atmosphere in which it was proposed to dispatch Filipino combat troops to Vietnam. At the same time, I declared support for the enlargement of our humanitarian and technical aid to the Republic of Vietnam—that form of aid which I called "a Filipino area of excellence in southeast Asia." I believe that the dispatch of engi-

neers to South Vietnam continues the constructive character of our earlier aid; and that this still falls within the "area of Filipino excellence" that I spoke of in the past. But even if this were considered a reversal of a previous opinion, I would do so for the national interest. The personal prestige of a leader I am willing to sacrifice for the security of the Philippines, especially since that prestige is mine.

At the same time, I should like to assure our people that while we recognize the gravity of the crisis in Vietnam, we shall not allow any effort to abridge the liberties of our own citizens under any pretext. On the other hand, I am convinced that this administration has shown from the start a profound sensitivity to the rights and liberties of the people.

I repeat that if we send engineers to Vietnam, this will be because we choose to act on the long-held convictions of the Filipino people; that the option for liberty must be kept for every nation, that our own security requires that democracy be given the chance to develop freely and successfully in our own part of the world. It would be an insult to our people to insinuate that the convictions were imposed on us by any foreign power. Our position in Vietnam grew out of these convictions that are rooted in our own historical development.

In sending further aid to the Republic of Vietnam, we shall be acting on these convictions. I call on our people to stand united behind these timeless beliefs and commitments of our people.

Thank you and good night.

Statement of Mr. Clarence M. Tarr, President of the National Association of Retired Civil Employees

EXTENSION OF REMARKS OF

HON. JOHN BUCHANAN

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 23, 1966

Mr. BUCHANAN. Mr. Speaker, it is my privilege to include in the RECORD a statement given this morning before the Retirement Subcommittee of the Post Office and Civil Service Committee of the House of Representatives by Mr. Clarence M. Tarr, president of the National Association of Retired Civil Employees.

Mr. Tarr in his excellent presentation made a strong statement on behalf of a group of people, our retired civil employees and their dependents and survivors, who are almost overlooked in the legislation now before this committee. I commend its reading to the Members of the House:

STATEMENT OF CLARENCE M. TARR, PRESIDENT, NATIONAL ASSOCIATION OF RETIRED CIVIL EMPLOYEES, BEFORE THE PAY AND RETIREMENT SUBCOMMITTEES, HOUSE COMMITTEE ON POST OFFICE AND CIVIL SERVICE, MARCH 23, 1966

Mr. Chairman, and members of the subcommittees, we thank you for this opportunity to appear and present the problems of retired civil employees and their dependents and survivors. We are most grateful to you for your courageous action last year in approving a bill which gave a much-needed annuity increase to retirees and survivors on civil service retirement rolls and revised the plan of automatic cost-of-living increases to make it more responsive in meeting the costs

March 23, 1966

A1696

CONGRESSIONAL RECORD — APPENDIX

of inflation. We came to you then as the forgotten people in the age of the Great Society and in some respects we feel that except in the Halls of Congress we are still very much the forgotten people.

For many years we have advocated the principle that benefits for active employees and their dependents and survivors and benefits for retired employees and their dependents and survivors should be considered at the same time, on a package basis. We have argued, as it is argued today, that the benefits provided to former employees and their dependents and survivors are part of the fringe benefits for the whole working force. There must be a correlation between benefits provided to those who have formerly retired and benefits promised employees who are to retire in the future. Otherwise, how could present employees be assured that they will not be forgotten as soon as they leave the working force?

Today we are seeking a correlation of survivor benefits under the Civil Service Retirement Act. Prior to April 1, 1948, there was no simple procedure for a retiring employee to provide survivor benefits for his spouse. There was an option for a "joint-survivor annuity" to be computed on an actuarial basis but it was so complicated that few retiring employees used it. Also, there was no provision for an annuity for the widow of an employee who died in the service.

On April 1, 1948, Public Law 426 (80th Cong.) became effective, and permitted a retiring employee to elect a survivor annuity for his spouse by taking a reduction of 10 percent in his annuity, plus a reduction of three-fourths of 1 percent for each year that such spouse was under the age of 60, the total reduction not to exceed 25 percent. The survivor annuity was fixed at 50 percent of the unreduced annuity of the retiree. This law also granted a survivor annuity to the widow of each male employee who died in the service after service of at least 5 years, computed on the basis of half of the amount the employee would have received if retired on full annuity at the time of his death. Also, this law granted either a free survivor annuity, or an annuity increase of 25 percent (not to exceed \$300), to each married person previously retired. The survivor annuity was set at half of the annuity of the retiree, limited to \$600 per annum. Two years later, Public Law 601 (81st Cong.) granted survivor annuities to those who had chosen annuity increases and vice versa, thus assuring survivor annuities to all married retirees prior to April 1, 1948, who were living on that date. By a later law in 1958, the widows of pre-1948 retirees who had died before April 1, 1948, and the widows of employees who had died with 5 years or more of service before April 1, 1948, were granted annuities.

Under Public Law 310 (81st Cong.), after September 30, 1949, the cost of a survivor annuity was modified by requiring a reduction of only 5 percent on the first \$1,500 of original annuity, plus 10 percent on the remainder, retaining the three-fourths of 1 percent reduction for each year the spouse was under 60 years of age, and with the maximum reduction limited to 25 percent. This law was not made retroactive to apply to persons previously retired.

Public Law 854 (84th Cong.) made a drastic change in survivor annuities, effective October 1, 1956. Thereafter a retiree could elect a survivor annuity based only on a portion of his annuity, and suffered a reduction of only 2½ percent on the first \$2,400 of such portion, plus 10 percent of the remainder, if any. The survivor annuity was fixed at half of the amount of annuity designated by the retiree. Extra deductions based on the age of the spouse were discontinued. This enabled a retiree to provide a survivor annuity of \$1,200, for a reduction of only \$60 per year

in original annuity. The provisions of this law were not made retroactive to apply to persons previously retired.

The latest change in laws governing survivor annuities was made in Public Law 87-793, effective October 11, 1962, when the amount subject to reduction at 2½ percent was increased from \$2,400 to \$3,600, and the amount of the survivor annuity was increased from 50 to 55 percent of the base. This enabled a retiree after that date to elect a survivor annuity of \$1,980 per year at a cost of only \$90 per year. The provisions of this law were not made retroactive to apply to persons previously retired.

During these years since 1948, both salaries and annuities have increased many times but the increases in salaries have been much greater than the increases in annuities. As a result, the average annuities of persons retiring today are much higher than the average of present annuities of persons retired some years ago.

Because changes in survivor provisions of the law were not made retroactive to persons previously retired, we now find that persons retired prior to October 1, 1956, are suffering the loss of up to 25 percent of their annuities in order to provide survivor annuities of only 50 percent of their unreduced annuities, while persons retired since October 11, 1962, can provide survivor annuities up to \$1,980 per annum for a reduction of only 2½ percent of \$3,600, or an annual cost not to exceed \$90. Even where the age factor did not apply, the man who retired in 1948 who has annuity enough to provide his wife with a survivor annuity of \$1,800 is now suffering a reduction of \$360, 10 percent of \$3,600. The 1948 retiree pays four times as much as the 1962 retiree but the 1962 retiree can provide 10 percent more in survivor annuity. The retiree in 1950 who has a large enough annuity to provide a survivor annuity of \$1,800 is suffering an annuity reduction of 5 percent on \$1,500, and 10 percent on \$2,100, a total reduction of \$285, more than three times the amount paid by the 1962 retiree, and can't provide as much for his spouse. The 1957 retiree who has sufficient annuity to provide a survivor annuity of \$1,800 for his spouse, is suffering a reduction of 2½ percent on \$2,400 and 10 percent on \$1,200, a total of \$180. His cost is double that of the 1962 retiree, who can provide 10 percent more in survivor annuity for only \$90 per year. The persons receiving the least annuities have to pay the most for survivor protection, and their survivors, who can only look for a percentage of small annuities, are further penalized by a lower percentage formula.

There was a similar problem under the Foreign Service retirement system. For many years prior to 1960, a Foreign Service officer was permitted upon retirement to designate his wife to receive a survivor annuity of half of his unreduced annuity, but he had to elect to receive for his lifetime only 75 percent of this unreduced annuity. He had to pay 25 percent of his annuity to provide his wife with a survivor annuity of 50 percent. In 1960, a new law changed this system and permitted a Foreign Service retiree whose annuity would be at least \$4,800 to provide his wife with a survivor annuity of \$2,400 per year, at a cost of only \$300 per year—2½ percent on \$2,400, and 10 percent on \$2,400—which corresponded to the formula in effect at that time under the civil service retirement system. Also, this law set a minimum survivor annuity of \$2,400 for the Foreign Service retirement system. The law was not made retroactive to persons previously retired.

Public Law 89-308, approved October 31, 1965, eliminated these inequities from the Foreign Service retirement system. From now on, the annuities of former retirees who elected survivor annuities at the cost of a loss of 25 percent of their annuities, will be

recomputed on the more liberal 1960 formula of \$300 per year to provide survivor annuities of \$2,400. Also, survivor annuities which were under \$2,400 per annum are now increased to the new minimum of \$2,400 per annum. In addition, Public Law 89-308 gives a new opportunity for former retirees who did not elect survivor annuities at the time of their retirement to now elect such survivor annuities and pay back the costs for prior years by monthly installments of 25 deducted from their annuities.

This law is directly in point for the civil service retirement system.

There was discrimination against older retirees in the matter of costs imposed for the privilege of providing survivor annuities in the Foreign Service retirement system as in the civil service retirement system. It has been eliminated in the Foreign Service retirement system and should be eliminated also in the civil service retirement system. There was discrimination against survivors of older retirees in the Foreign Service retirement system as in the civil service retirement system. It has been eliminated in the Foreign Service retirement system and should also be eliminated in the civil service retirement system.

Costs are always an important item for consideration in connection with proposed legislation. We cannot give any official figures, because we do not have the basic data which would be required. However, we can present some estimates based on the latest figures we have been able to obtain from the Civil Service Commission.

As of June 30, 1965, there were 171,577 widow and widower survivor annuitants on the annuity rolls, of which 72,955 were widows and widowers (only 94 widowers) of employees who died in service. There were 157,924 widow and widower survivors of former employees who died or retired prior to October 11, 1962, and the total annuities paid to them were reported as \$13,123,220 per month, or \$157,502,640 per year. This indicates that the initial cost of bringing survivor annuities under the civil service retirement system up to the present standard of 55 percent of base annuities would be 10 percent of the present total or \$15,750,264 per annum. This cost might rise slightly as new survivors are added to the rolls, partially offset by present survivors who die, but will reduce annually before long, and ultimately pass out altogether.

Costs of the recomputation of reductions in annuities of retirees are more difficult to estimate, but there are some figures to go on. On June 30, 1965, there were on the rolls 7,325 persons who retired in fiscal year 1948, 8,423 who retired in fiscal year 1949, and 9,693 who retired in fiscal year 1950. From this we estimate that there are now approximately 12,000 former employees who retired between April 1, 1948, and September 30, 1949. This includes men and women and persons who retired under conditions which prevented them from designating their spouses to receive survivor annuities. Also, the high cost at that time deterred many from electing survivor annuities. Perhaps one-fourth of these retirees elected survivor annuities, and the probable average increase they would receive from recomputation would be \$120 (average annuity \$1,800, and average reduction changed from \$180 to \$60). This would make the cost of adjusting this group \$360,000. From October 1, 1949, to October 1, 1956, there were 93,601 retirees who were still on the rolls on June 30, 1965. It is not likely that more than one-third of these elected survivor annuities, and we estimate the average to be restored to each through recomputation at \$75 (average annuity \$2,000, and average reduction changed from \$125 to \$50). This would make the cost of adjusting this group \$2,340,000. Between October 1, 1956, and October 11, 1962, there were approximately 225,736 retirees who